DECEMBER 2024 UPDATE TO THE ALERT BELOW:

Optum Claim Editing Software (CES) standard claims edits and implementation of Optum EDC analyzer will **not be effective on 1/1/2025** as previously announced. A new alert will be issued with new effective dates for these application changes. In addition, **NDC reader changes will go into effect on 1/29/25**.

OCTOBER 2024 SPECIAL ALERT:
CHANGES COMING TO OPTUM CLAIM EDITING SOFTWARE (CES) EDITS

In the final quarter of 2024, Providence Health Plan and Providence Health Assurance (PHP/PHA) will make the following changes to our claims editing software to improve accuracy in the coding and reimbursement of medical claims. These changes **apply to all lines of business except Oregon Health Plan members**.

Optum Claim Editing Software (CES) Standard Claim Edits

Providence Health Plan and Providence Health Assurance is enhancing our existing CES edits by implementing standard claim edits of Optum CES. This will ensure not only efficient and accurate claims payment for providers and facilities, but increased accuracy and consistency regarding coding and reimbursement according to Centers for Medicare & Medicaid (CMS) guidelines. Implementation of these edits will include Optum EDC Analyzer™ tool and NDC Reader, both of which are described further below.

The Company will be updating our coding and reimbursement policies, as needed, to align with these standard CES edits. Edits will go live incrementally in conjunction with removal of system configuration of any current conflicting edits, as applicable.

More detailed information will be given to providers and facilities before specific edits are implemented.

REVISED EMERGENCY DEPARTMENT (ED) OUTPATIENT FACILITY EVALUATION AND MANAGEMENT (E/M) REIMBURSEMENT POLICIES

Effective 1/1/2025

As part of our continued efforts to improve accurate billing and reimbursement, PHP/PHA will revise the current Emergency Department (ED) outpatient facility Evaluation and Management (E/M) reimbursement policy and procedure.

These policies focus on outpatient facility ED claims that are submitted with level 4 (99284, G0383), or level 5 (99285, G0384) E/M codes. These policies were developed using our national experience to address inconsistencies in coding accuracy and were based on the E/M coding principles created by the Centers for Medicare and Medicaid Services (CMS) that require hospital ED facility E/M coding guidelines to follow the intent of CPT® code descriptions and reasonably relate to hospital resource use.

As part of the implementation of these policies and procedures, we'll begin using the **Optum Emergency Department Claim (EDC) Analyzer**™ tool, which determines appropriate E/M coding levels based on data from the patient's claim including the following:
- Patient's presenting problem
- Diagnostic services performed during the visit
- Any patient complicating conditions

To learn more about the EDC Analyzer™ tool, please visit EDCAnalyzer.com.

Facilities submitting claims for ED E/M codes may experience adjustments to level 4 or 5 E/M codes to reflect an appropriate level E/M code or may receive a denial, based on the reimbursement structure within their contracts with PHP/PHA. Facilities will have the opportunity to submit reconsideration requests if they believe a higher-level E/M code is justified, in accordance with the terms of their contract.

Criteria that may exclude outpatient facility claims from these policies include, but are not limited to:
- Claims for patients who were admitted from the emergency department or transferred to another health care setting (Skilled Nursing Facility, Long Term Care Hospital, etc.)
- Claims for patients who received critical care services (99291, 99292)
- Claims for patients who are under the age of 2 years
- Claims with certain diagnosis codes that when treated in the ED most often necessitate greater than average resource usage, such as significant nursing time
- Claims for patients who expired in the ED

Ultimately, the mutual goal of facility coding is to accurately capture ED resource utilization and align that with the E/M CPT® code description for a patient visit per CMS guidance.

NDC Reader

Effective 1/29/2025

Through Optum CES, PHP/PHA will be re-enforcing the NDC billing requirements by implementing the NDC validation tool (NDC Reader), which will look for all the following on the claim:

- Missing NDC
- Invalid/obsolete NDC
- Miscellaneous J code with active HCPCS
- HCPCS-NDC mismatch